

Hangzhou Turbine Power Group Co., Ltd.

Announcement on the regarding the lifting conditions met for the restricted stock in the first lifting period for the first grant portion of the 2021 restricted stock incentive plan

The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. Not any false record, misleading statement or significant omission carried in this announcement.

Important content note:

1. A total of 451 incentive objects met the conditions for lifting the restriction, and the number of restricted shares that can be lifted is 9,254,045 shares, accounting for 0.79% of the Company's current total share capital.

2. After the completion of the relevant application for lifting the restricted stock, the Company will issue an announcement on the lifting of the restricted sale in the stock market. Investors are advised to pay attention for that.

On October 30, 2023, Hangzhou Turbine Power Group Co., Ltd (hereinafter referred to as the Company) held the 3rd meeting of the 9th term of the board of directors and the 3rdth Meeting of the 9th term of the board of supervisors, in which it deliberated and passed the " Proposal regarding the lifting conditions met for the restricted stock in the first lifting period for the first grant portion of the 2021 restricted stock incentive plan ". Hereby the relevant matters are explained as follows:

I. A brief description of the incentive plan and the decision-making procedures that have been implemented

(I) Brief introduction of incentive plan

1.The underlying stock of this incentive plan is the company stock repurchased in the special securities account for repurchase by the company.

2.The number of restricted stocks to be granted in this incentive plan is 19,551,800, accounting for 2.59% of the total share capital for 754,010,400 shares of the company at the time of

announcement of this incentive plan. Where, 18.17 million are granted for the first time, accounting for 2.41% of the company's total share capital; 1,381,800 are reserved, accounting for 0.18% of the company's total share capital of 754,010,400.

3.This incentive plan has 500 incentive objects, including the company directors (excluding independent directors and external directors), senior management personnel, other leadership members, company middle management and company core personnel.

4.The grant price of the restricted stocks is HKD 6.825 per share.

5. Time arrangement of this incentive plan

The validity period of this incentive plan shall be from the date when the registration of granting restricted stock is completed to the date when all restricted stocks granted to the incentive object are released or repurchased, which shall be no more than 60 months.

The sales restriction period of restricted stocks granted by this incentive plan is 24 months, 36 months and 48 months from the date of registration of the granted restricted stocks.

After 24 months from the date of registration of restricted stocks granted by this incentive plan, the incentive object will be lifted on sales restriction in three phases in the next 36 months. The sales restriction release period of restricted stocks and the release schedule of each period are shown in the following table:

Release arrangement of sales restriction	Release time of sales restriction	Proportion of the number of sales restriction that can be lifted to the number of authorized benefits
First Sales restriction release period	From the first trading day 24 months after the completion of the grant registration to the last trading day within 36 months after the completion of the grant registration	33%
Second Sales restriction release period	From the first trading day 36 months after the completion of the grant registration to the last trading day within 48 months after the completion of the grant registration	33%
Third Sales restriction release period	From the first trading day 48 months after the completion of the grant registration to the last trading day within 60 months after the completion of the grant registration	34%

6. Performance assessment requirements for lifting restrictions on the restricted stock sales

6.1. Performance assessment requirements at company level

For restricted stocks granted by this incentive plan, the assessment year for lifting the restricted sales of this incentive plan is three fiscal years from 2021 to 2023, with one assessment in each fiscal year. The performance assessment of lifting the restricted stock granted by this plan is shown in the following table:

Sale restriction period	Performance assessment conditions
The first sales restriction release period	Based on the average performance from 2018 to 2020, the growth rate of net profit attributable to ordinary shareholders of the company in 2021 is not lower than [12.0%], which is not lower than the average level of the same industry; The return on net assets in 2021 is not lower than [8.0%], which is not lower than the average level of the same industry; In 2021, the profit of main business accounts for no less than [73%] of the total profit.
The second sales restriction release period	Based on the average performance from 2018 to 2020, the growth rate of net profit attributable to ordinary shareholders of the company in 2022 is not lower than [16.0%], which is not lower than the average level of the same industry; The return on net assets in 2022 is not lower than [8.0%], which is not lower than the average level of the same industry; In 2022, the profit of main business accounts for no less than [73%] of the total profit.
The third sales restriction release period	Based on the average performance from 2018 to 2020, the growth rate of net profit attributable to ordinary shareholders of the company in 2023 is not lower than [20.0%], which is not lower than the average level of the same industry; The return on net assets in 2023 is not lower than [8.0%], which is not lower than the average level of the same industry; In 2023, the profit of main business accounts for no less than [73%] of the total profit.

Note: ① The impact of other comprehensive income-changes in fair value of investment in other equity instruments on changes in net assets is not considered when calculating the return on net assets. ② When calculating the growth rate of net profit, the net profit attributable to the parent company of the listed company after excluding the influence of share-based payment expenses of this plan is the accounting standard. ③ Main business profit = total profit - investment income. ④ The specific accounting standard of performance indicators shall be determined by the Board of Directors authorized by the General Meeting of Shareholders. ⑤ Within the validity period of the equity incentive plan, if the net assets change due to additional issuance, share allotment, merger and acquisition, etc., Where assessing the return on net assets index for the year, changes in net assets and net profit changes caused by this event are excluded. ⑥ The Company is of the "General Equipment Manufacturing Industry" under the "Manufacturing Industry" category of CSRC, and its peer enterprises in the same industry are all domestic A-share and B-share listed companies under the "General Equipment Manufacturing Industry" category of CSRC.

6.2. Assessment of incentive objects at individual level

Assessment of incentive objects at individual level shall be conducted in accordance with the *Administrative Measures for the Implementation Assessment of Restricted Stock Incentive Plan of Hangzhou Turbine Co., Ltd.* in 2021. Individual assessment of incentive objects is carried out by

years, and performance assessment results (S) are divided into four grades. The proportion of sales restriction release in the current year is determined according to the results of individual performance assessment. The actual sales restriction release amount of the individual in the current year = the coefficient of sales restriction release × the planned sales restriction release amount of the individual in the current year. The special circumstances in performance assessment shall be decided by the Board of Directors. See the following table for details:

Evaluation results (s)	Excellent	Good	Pass	Fail
Coefficient of sales restriction release	1		0.8	0

(II) Decision-making procedures performed.

1. On July 11, 2021, the 14th meeting of the Eighth Board of Directors reviewed and approved the *Proposal on the Company's Restricted Stock Incentive Plan (Draft) in 2021 and its Summary*, the *Proposal on the Company's Implementation Assessment Management Measures for the Restricted Stock Incentive Plan in 2021*, and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Restricted Stock Incentive Plan in 2021*, and the 9th Meeting of the Eighth Supervisors of the Company reviewed and approved the above related proposals. The Company disclosed related announcements such as the Restricted Stock Incentive Plan (Draft) and its Summary in 2021, the Implementation Assessment Management Measures for the Restricted Stock Incentive Plan in 2021, the Incentive Object List of the Restricted Stock Incentive Plan in 2021, the Self-inspection Form of Equity Incentive Plan, and the Legal Opinions of Shanghai Jintiancheng Law Firm on the 2021 Restricted Stock Incentive Plan of Turbine Co., Ltd.

Independent directors of the Company expressed their independent opinions on whether the equity incentive plan is conducive to the sustainable development of the Company and whether there is any harm to the interests of the Company and all shareholders. The Board of Supervisors of the Company issued the Verification Opinions on the Company's Restricted Stock Incentive Plan (Draft) in 2021.

2. On August 12, 2021, the Company disclosed the *Announcement on the Approval of Equity Incentive Plan by Hangzhou SASAC*. The Company received the Reply of Hangzhou Turbine Co., Ltd. on Implementing the Restricted Stock Incentive Plan in 2021 (HGZK [2021] No.45), and Hangzhou SASAC agreed in principle that the Company should implement the restricted stock incentive plan in 2021.

3. From July 12, 2021 to July 21, 2021, the Company publicized the names and positions of the incentive objects by posting the *Publicity of the Company's Restricted Stock Incentive Objects in*

2021 on the Company's business premises, specifying the circumstances that forbids to be equity incentive objects, and the ways and means of feedback during the publicity period. As of the expiration of the publicity period, the Company has not received any objection from any organization or individual to the incentive object of this incentive plan.

On August 23, 2021, the Company disclosed the Publicity and Verification Opinions of the Board of Supervisors of the Company on the List of Incentive Objects of Restricted Stock Incentive Plan. The Board of Supervisors of the Company believes that the incentive objects listed in this incentive plan comply with the Administrative Measures, Trial Measures, Notice and other laws, regulations, normative documents and the scope and conditions of incentive objects stipulated in the Incentive Plan (Draft), and there is no circumstances that forbids to be incentive objects, and its qualification as the incentive objects of this incentive plan is legal and effective.

On August 23, 2021, the Company disclosed the Independent Financial Advisor's Report of CITIC Securities Co., Ltd. on the Restricted Stock Incentive Plan (Draft) in 2021 of Hangzhou Turbine Co., Ltd.

4. On August 27, 2021, the Company held the Second Provisional General Meeting of Shareholders in 2021, which reviewed and approved the *Proposal on the Company's Restricted Stock Incentive Plan in 2021 and its Summary*, the *Proposal on the Company's Implementation Assessment Management Measures for the Restricted Stock Incentive Plan in 2021*, and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Restricted Stock Incentive Plan in 2021*.

Meanwhile, the Company disclosed the Self-inspection Report on Insider Information of Restricted Stock Incentive Plan in 2021 and Stock Trading of Incentive Objects.

5. On August 30, 2021, the Company convened the 16th Meeting of the Eighth Board of Directors and the 11th Meeting of the Eighth Board of Supervisors, and respectively reviewed and approved the *Proposal on Granting Restricted Stocks to Incentive Objects for the First Time*. The Board of Directors of the Company considered that the granting conditions of restricted stocks stipulated in this incentive plan had been fulfilled, and agreed to grant 18.17 million restricted stocks to 457 incentive objects who meet the granting conditions on September 1, 2021 for the first time, at a price of HKD 6.825 per share. The Board of Supervisors of the Company verified the list of incentive objectives again and issued a clear consent opinion. Independent directors of the Company expressed their agreed independent opinions on this.

6. On October 22, 2021, the Company completed the registration of granting restricted shares for the first time, with 455 people registered for the first time and 18,060,000 shares registered.

7. On December 16, 2021, the 20th Meeting of the 8th Board of Directors and the 13th Meeting of 8th Board of Supervisors of the Company reviewed and approved the Proposal on Granting Reserved Restricted Shares to Incentive Objects, It's agreed to grant 1,380,000 restricted shares to 37 incentive objects who meet granting conditions on December 16,2021-which is the pre-reserved stock grant date, with a grant price of HKD 6.825 per share. The Supervisory Committee of the Company verified the list of incentive objects and issued a clear consent opinion. Independent directors of the Company expressed in dependent opinions on relevant proposal of the Board of Directors.

8. On January 14, 2022, the Company completed the registration of the reserved restricted shares for the grant of 37 persons and the number of registered shares of 1,380,000.

9. On December 21, 2022, the Company held the 30th meeting of the Eighth Board of Directors and the 19th meeting of the Eighth Board of Supervisors, and deliberated and passed the *Proposal on Repurchase Cancellation of Some Restricted Stocks* and the *Proposal on Adjusting the Repurchase Quantity and Repurchase Price of the Restricted Stock Incentive Plan in 2021*, agreeing to repurchase and cancel a total of 531,180 restricted stocks held by 9 retirees and 1 resigned employee, which have been granted but have not been lifted for sales restriction. Meanwhile, because the Company has completed the profit distribution plan for 2021, according to the provisions of the *Restricted Stock Incentive Plan (Draft) in 2021*, the repurchase price of restricted stocks was adjusted from RMB 5.6764 per share (HK\$ 6.825 per share) to RMB 4.06 per share.

10. On October 30, 2023, the Company held the third meeting of the ninth session of the board of directors and the third meeting of the ninth session of the board of supervisors, in which the "Proposal on Adjusting the Repurchase Number and Repurchase Price of the 2021 Restricted Stock Incentive Plan" and "The Proposal on Repurchase and Cancellation of Some Restricted Shares" were deliberated and passed. In view of the fact that 14 persons of the incentive objects are no longer eligible for incentive objects due to retirement reason and 3 persons are no longer eligible for incentive objects due to their resignation due to personal reasons, according to the Incentive Plan, it's agreed to repurchase and cancel a total of 422,448 shares of restricted shares held by them that have been granted but have not yet been lifted. Due to the performance appraisal results of 2 objects not reaching good or above, according to the Incentive Plan, it's agreed to repurchase and cancel 12,355 shares of restricted stock that did not meet the conditions for lifting during the first lifting

period. Meanwhile, as the Company had completed the implementation of the 2021 profit distribution plan, the repurchase price and repurchase number of restricted shares are adjusted accordingly in accordance with the provisions of the Incentive Plan.

The Proposal regarding the lifting conditions met for the restricted stock in the first lifting period for the first grant portion of the 2021 restricted stock incentive plan was deliberated and passed in the third meeting of the ninth session of the board of directors and the third meeting of the ninth session of the board of supervisors. The board of directors of the Company agreed to handle the lifting of the restriction of 451 incentive objects who met the conditions for the lifting during the first lifting period of the first grant restricted stocks, and the total number of restricted shares lifted this time is 9,254,045 shares. The independent directors of the Company have expressed an independent opinion with which they expressly agreed to the matter, and the Supervisory Board has issued an opinion expressly agreed to the matter.

II. Explanation of the lifting conditions of restriction met for the first lifting period of the first grant of restricted stock of this incentive plan

(I) Explanation of the expiration of the first restricted period for the first grant proportion

In accordance with the provisions of the Company's 2021 Restricted Stock Incentive Plan, the lifting arrangements for the Company's first grant of restricted stock are as follows:

Release arrangement of sales restriction	Release time of sales restriction	Proportion of the number of sales restriction that can be lifted to the number of authorized benefits
First Sales restriction release period	From the first trading day 24 months after the completion of the grant registration to the last trading day within 36 months after the completion of the grant registration	33%
Second Sales restriction release period	From the first trading day 36 months after the completion of the grant registration to the last trading day within 48 months after the completion of the grant registration	33%
Third Sales restriction release period	From the first trading day 48 months after the completion of the grant registration to the last trading day within 60 months after the completion of the grant registration	34%

As noted above, the first lifting period for the first grant portion of this incentive plan is from the first trading day 24 months after the date of registration of the grant to the last trading day within

36 months from the date of registration of the grant. The first trading day of the first grant portion of restricted shares under this incentive plan is October 22, 2021, and the first restricted period expires on October 23, 2023.

(II) Explanation of the lifting conditions of restriction met for the first lifting period of the first grant portion restricted stock of this incentive plan

The lifting conditions of restriction for the first lifting period of the Company's first grant portion restricted stock meet the conditions for the lifting stipulated by the Company's 2021 Restricted Stock Incentive Plan, and the specific conditions met are as follows:

<p align="center">Conditions for the lifting of restricted shares</p>	<p align="center">Explanation of whether the conditions for lifting the restricted shares are met</p>
<p>None of the following has occurred in the Company</p> <ol style="list-style-type: none"> 1. The financial report of the latest fiscal year is issued by the certified public accountant with a negative opinion or an audit report that cannot express an opinion; 2. The audit report on the internal control of financial report for the latest fiscal year has been issued by the certified public accountant with a negative opinion or cannot express an opinion; 3. In the past 36 months after listing, there has been a failure to distribute profits in accordance with laws and regulations, the Articles of Association, and public commitments; 4. Equity incentives shall not be implemented as stipulated by laws and regulations; 5. Other circumstances determined by the China Securities Regulatory Commission. 	<p>The Company did not have the aforementioned circumstances and met the conditions for lifting the restriction.</p>
<p>None of the following occurred to the incentive objects:</p> <ol style="list-style-type: none"> 1. Identified as an unsuitable person by the stock exchange within the past 12 months; 2. Identified as an unsuitable person by the China Securities Regulatory Commission and its dispatched agencies within the past 12 months; 3. Within the past 12 months, due to major violations of laws and regulations, the object has been administratively punished by the China Securities Regulatory Commission and its dispatched agencies or taken market prohibition measures due to major violations of laws and regulations; 4. Those who are prohibited from serving as directors or senior management personnel of the company as stipulated in The Company Law; 5. Laws and regulations stipulate that the person is not allowed to participate in the equity incentive of listed companies; 	<p>The incentive objects do not have the aforementioned circumstances, and the conditions for lifting the restriction are met.</p>

6. Other circumstances determined by the China Securities Regulatory Commission.

Company-level performance appraisal requirements:

Restricted Period	Performance appraisal conditions
The first lifting period	Based on the average performance from 2018 to 2020, the growth rate of net profit attributable to the Company's common shareholders in 2021 shall not be less than [12.0%], and it is not lower than the average level of the same industry; The return on net assets in 2021 shall not be less than [8.0%], and it is not lower than the average level of the same industry; the proportion of main business profit to total profit in 2021 shall be not less than [73%].

Note: (1) The impact of changes in the fair value of other comprehensive income-other equity instruments investments on changes in net assets is not considered when calculating ROE. (2) When calculating the growth rate of net profit, the net profit attributable to the parent company of the listed company after excluding the impact of share-based payment expenses of this plan is used as the accounting standard. (3) Main business profit=total profit-investment income. (4) The specific accounting standard of performance indicators shall be determined by the board of directors authorized by the general meeting of shareholders. (5) During the validity period of the equity incentive plan, if the company's net assets change due to additional issuance, allotment, mergers and acquisitions, etc., the change in net assets and net profit caused by the matter shall be excluded when evaluating the return on net assets index in the year of change. (6) The Company belongs to the "general equipment manufacturing industry" under the "manufacturing" category of the China Securities Regulatory Commission's industry classification, and the enterprises in the same industry are all domestic A-share and B-share listed companies under the "general equipment manufacturing" classification of the CSRC.

According to the calculation rules of the performance assessment conditions of the Company's 2021 restricted stock incentive plan, based on the average performance from 2018 to 2020, the net profit growth rate attributable to the Company's common shareholders in 2021 was 77.69%, and the net profit growth rate of the same industry was 8.60%; In 2021, the return on net assets was 13.08%, and the return on net assets of the same industry was 6.5%; In 2021, the profit of main business accounted for 79.71% of the total profit. In summary, the company-level performance appraisal target for the first lifting period of the first grant portion restricted stock of this incentive plan has been achieved.

Individual-level performance appraisal requirements:

The individual-level assessment of incentive objects shall be conducted annually in accordance with the Administrative Measures for the Implementation Assessment of the 2021 Restricted Stock Incentive Plan. The performance evaluation result (S) is divided into 4 levels. According to the results of the individual's performance evaluation, the proportion of lifted stock in the year is determined, the actual proportion of lifting of the individual in the year = the lifting coefficient × the individual's lifting quota in the year by the plan, and the special circumstances in the performance evaluation shall be determined by the board of directors. See the table below:

Assessment Result(s)	Excellent	Good	Pass	Fail

The first grant incentive objects are 455 persons:

- (1) Three incentive persons who left their jobs due to personal reasons are no longer eligible for incentive objects.
- (2) The assessment result of 1 incentive object is fail, thus the lifting coefficient in the lifting period is 0.
- (3) The assessment result of 1 incentive object is a pass, thus the lifting coefficient in the lifting period is 0.8.
- (4) The assessment results of 450 incentive objects are good or excellent, thus the lifting coefficient for the lifting period is 1.

Lifting coefficient	1	0.8	0	
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In summary, the Board of Directors considered that the first restricted period of the first grant portion of the Company's 2021 restricted stock incentive plan has expired, and the conditions for lifting the restriction including the performance indicators have been met, and according to the authorization of the Company's second extraordinary general meeting of shareholders in 2021, the Company will handle the matter related to the lifting of restricted stocks in the first lifting period of the first grant portion restricted stock in accordance with the relevant provisions of this incentive plan.

III. Explanation of the difference between the equity incentive plan implemented this time and the disclosed equity incentive plan

1. During the process of fund payment and registration after the first grant date, the two incentive objects voluntarily gave up the subscription of all 110,000 restricted shares to be granted to them due to personal reasons. The number of incentive objects actually granted was adjusted from 457 to 455, and the actual number of restricted shares granted for the first time was adjusted from 18.17 million shares to 18.06 million shares.

2. On December 16, 2021, the Company held the 20th meeting of the eighth session of the board of directors and the thirteenth meeting of the eighth session of the board of supervisors, in which the "Proposal on Granting Reserved Part of the Restricted Shares to the Incentive Objects" was deliberated and passed, and determined that the reserved grant date is December 16, 2021, and the original plan of this incentive plan for reserved grant was the grant of 1,381,800 shares, and the actual grant for reserved grant was 1.38 million restricted shares.

3. On December 21, 2022, the Company held the 20th meeting of the eighth session of the board of directors and the thirteenth meeting of the eighth session of the board of supervisors, in which the "Proposal on Adjusting the Repurchase Number and Repurchase Price of the 2021 Restricted Stock Incentive Plan" and "The Proposal on Repurchase and Cancellation of Some Restricted Shares" were deliberated and passed. In view of the retirement of 9 of the incentive objects and the resignation of 1 person due to personal reason, the Company repurchased and cancelled a total of 531,180 shares of restricted stock held by them that had been granted but had not yet been lifted.

4. On October 30, 2023, the Company held the third meeting of the ninth session of the board of directors and the third meeting of the ninth session of the board of supervisors, in which the "Proposal on Adjusting the Repurchase Number and Repurchase Price of the 2021 Restricted Stock Incentive Plan" and "The Proposal on Repurchase and Cancellation of Some Restricted Shares" were deliberated and passed. In view of the retirement of 14 of the incentive objects and the resignation of 3 persons due to personal reasons, the Company repurchased and cancelled a total of 422,448 shares of restricted shares held by them that had been granted but had not yet been lifted. As 2 persons did not meet the assessment of good or above, according to the Incentive Plan, the Company repurchased and cancelled 12,355 shares of their restricted shares that did not meet the conditions for lifting the restriction during the first lifting period.

In addition to the above adjustments, the other contents of the restricted stock incentive plan implemented this time are consistent with the incentive plan approved by the Company's second Provisional general meeting of shareholders in 2021, and there are no other differences.

IV. The detail of the lifting of the restricted shares by equity incentive objects

A total of 451 incentive objects met the conditions for lifting the restriction, and a total of 9,254,045 restricted shares applied for the lifting of the restriction, accounting for 0.79% of the Company's current total share capital. The details are as follows:

Name	Title	Number of restricted shares granted (shares)	Number of restricted shares that have been lifted (shares)	Number of restricted shares (shares) that can be lifted in the first lifting period (shares)	Number of remaining un-lifted restricted shares (shares)
Zheng Bin	Chairman	390000	0	128700	261300
Ye Zhong	Director, GM	390000	0	128700	261300
Yang Yongming	Vice Chairman	312000	0	102960	209040
Wang Gang	Deputy GM	312000	0	102960	209040
Kong Jianqiang	Deputy GM, Chief engineer	312000	0	102960	209040

Wang Zhengrong	Deputy GM	312000	0	102960	209040
Zhao Jiamao	Deputy GM, Chief accountant	312000	0	102960	209040
Li Guiwen	Deputy GM, Secretary of the Board	312000	0	102960	209040
Li Binghai	Deputy GM	156000	0	51480	104520
Cai Weijun	Secretary of the Commission for Discipline Inspection	312000	0	102960	209040
Middle management, Core backbone personnel, 441 people		24322584	0	8224445	16098139
Total		27442584	0	9254045	18188539

Note 1: If the incentive objects are directors and senior management of the Company, the restricted shares held by them after lifting will be implemented in accordance with the provisions of relevant laws and regulations such as The Company Law, The Securities Law, and the Rules for the Management of the Shares of the Company Held by Directors, Supervisors and Senior Management of Listed Companies and the Changes of their Holding.

Note 2: The above totals and details are subject to verification by the Shenzhen branch of China Securities Depository and Clearing Corporation.

V. Opinions of relevant parties on the lifting of restriction on the restricted stocks

(1) Opinion of independent directors

After review, we unanimously considered that: according to the Company's "2021 restricted stock incentive plan" and the Company's "2021 restricted stock incentive plan implementation assessment management measures" and other relevant regulations, the Company has the main body qualification to implement the equity incentive plan, and there is no situation stipulated in the incentive plan that the restriction cannot be lifted, the restricted period for this application for the lifting of restricted shares has expired, and the conditions for lifting the restricted stock including the performance indicators have been met. The incentive objects of this restriction lifting meet the conditions for lifting the restriction stipulated in the incentive plan, and the lifting conditions for the first lifting period of the first grant portion of restricted stock of this incentive plan have met. The deliberation and decision-making procedures of this proposal comply with the provisions of laws, regulations and the Articles of Association, and the lifting of the restriction does not harm the

interests of the Company and all shareholders, especially small and medium-sized shareholders.

Therefore, we agree to lift 9,254,045 restricted shares of restricted shares that can be lifted for the first lifting period for 451 incentive objects who meet the conditions for lifting, and agree that the Company will handle the lifting of the restriction in accordance with the relevant regulations.

(2) Opinion of the board of supervisors

After verification, the Board of Supervisors of the Company considered that: the first restricted period of the first grant portion of the Company's 2021 restricted stock incentive plan will expire, and the performance indicators and other conditions for lifting the restricted shares have been met, which meets the conditions for lifting the restriction by the Company's 2021 restricted stock incentive plan; The Board of Supervisors of the Company verified the list of incentive objects, and the qualification of the incentive objects to lift the restricted shares is legal and valid, met the conditions set by the Company's 2021 restricted stock incentive plan, and agreed that the Company shall handle the lifting of 9,254,045 restricted shares in accordance with relevant regulations for the first lifting period for the 451 incentive objects who met the conditions for lifting the restriction on sale.

(3) Opinion of independent financial advisor

As of the date of this report, the conditions for lifting the restriction for the first lifting period of the first grant portion of restricted stock of this incentive plan of Hangzhou Turbine have been met, and the necessary approvals and authorizations have been obtained, which complies with the provisions of laws, regulations and normative documents such as The Company Law, The Securities Law and the Administrative Measures. This lifting of the restriction by the Company is still required to disclose information within the specified period in accordance with the Administrative Measures and the relevant provisions of this incentive plan and handle the corresponding follow-up procedures with the Shenzhen Stock Exchange and the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

(4) Concluding opinion of legal opinion

In summary, our lawyers considered that the Company's lifting of restricted shares has fulfilled the necessary approvals and authorizations at this stage, and complies with the relevant laws, regulations, normative documents such as the Administrative Measures and relevant provisions of

the Incentive Plan. The lifting conditions of restriction for the first lifting period of the Company's first grant portion restricted stock have been met, and the relevant arrangements for this lifting of the restriction comply with the relevant laws, regulations, normative documents such as the Administrative Measures and relevant provisions of the incentive plan. The Company still needs to handle the relevant procedures in accordance with the provisions of The Company Law and other laws and regulations, and perform the corresponding information disclosure obligations in accordance with the law.

VI. Documents for reference

1. Resolution of the 3rd meeting of the 9th term Board of Directors;
2. Independent directors' independent opinion on matters related to the 3rd meeting of the 9th term Board of Directors;
3. Resolution of the 3rd meeting of the 9th term Board of Supervisors;
4. Legal opinion;
5. Independent Financial Advisor Report.

This announcement is hereby made.

The Board of Directors of Hangzhou Turbine Power Group Co., Ltd.

October 31, 2023